

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF CALDWELL COUNTY WATER)	
DISTRICT OF CALDWELL COUNTY, KENTUCKY, FOR)	
A CERTIFICATE OF PUBLIC CONVENIENCE AND)	CASE NO.
NECESSITY TO CONSTRUCT AND FINANCE)	99-211
PURSUANT TO PROVISIONS OF KRS 278.023)	

O R D E R

On May 20, 1999, Caldwell County Water District (Caldwell District) submitted an application for a Certificate of Public Convenience and Necessity to construct a \$1,780,000 waterworks improvement project and for approval of its plan of financing for this project. This project will provide service to 225 additional customers. Project funding is a \$420,000 bond issue to be purchased pursuant to an agreement with the U.S. Department of Agriculture's Rural Development (RD), a \$426,000 grant from the RD, an \$890,000 Community Development Block Grant (CDBG), a \$10,000 contribution from the Caldwell County Fiscal Court, and a \$34,000 contribution from the applicant.

Caldwell District's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water utilities and the U.S. Department of Agriculture or the U.S. Department of Housing and Urban Development and to issue the necessary orders to implement the terms of such agreements within 30 days of satisfactory completion of the minimum filing requirements. Given that minimum

filing requirements were met in this case on May 20, 1999, KRS 278.023 does not grant the Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

1. Caldwell District is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Caldwell District's proposed plan of financing with RD is accepted.

3. Caldwell District is authorized to issue bonds not to exceed \$420,000.

4. Caldwell District shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

5. Three years from the effective date of this Order, Caldwell District shall file an income statement, along with any pro forma adjustments, in sufficient detail to demonstrate that the rates approved herein are sufficient to meet its operating expenses and annual debt service requirements.

Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 21st day of June, 1999.

By the Commission

ATTEST:

Executive Director